IN THE HIGH COURT OF JUDICIATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION

INCOME TAX REFERENCE NO.624 OF 1998

The Commissioner of Income-tax,
Bombay City II, Bombay .. Applicant.
V/s.
M/s.Golden Dyes Corpn. (India)
Pvt. Ltd., Bombay .. Respondent.

Mr.Parag Vyas with Mr.Ashok Kotangale & Mr.A.S. Rao for the applicant.
Mr.S.J. Mehta for the respondent.

CORAM : V.C. DAGA &
J.P. DEVADHAR, JJ.
DATED : 18TH OCTOBER, 2005.

P.C. :

1. Heard the learned counsel for the applicant. The Tribunal has referred following question for the opinion of this Court reading as under :-

> Whether in the facts and in the circumstances of the case, the Tribunal was right in law in holding that the disallowance out of expenditure incurred on salary & perqisites to employee-directors should be made under the provisions of section 40(c) of the I.T. Act, 1961 and not under section 40A(5) of the Act ?

2. The learned counsel for the applicant-revenue fairly submits that the above question has already been answered by the Division Bench of this Court in the case of CIT V/s. Hico Products P. Ltd. (No.1) [(1993) 201 ITR 567 (Bom)] in favour of the assessee and against the revenue. In this view of the matter, question stands answered in affirmative for the reasons stated in the case cited supra. Reference, accordingly stands disposed of with no order as to costs.

****